

Message Text

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ACTION COME-00

INFO OCT-01 EA-11 ISO-00 EB-11 CIAE-00 DODE-00 DOTE-00

FMC-04 INR-11 NSAE-00 RSC-01 CG-00 COA-02 DLOS-07

SWF-02 DRC-01 /051 W

----- 113107

R 110841Z SEP 74

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 2178

INFO AMEMBASSY TOKYO

UNCLAS HONG KONG 10101

PASS MARITIME ADMINISTRATION

DEPARTMENT OF COMMERCE, WASH., D. C.

B. T. KYLE, OFFICE DOMESTIC SHIPPING

PATRICK TIMMONS, OFFICE GENERAL COUNSEL

FROM SOMECK

E.O. 11652: N/A

TAGS: EWWT, TW

SUBJECT: VESSEL SALES

1. REFERENCE IS TO MY TWO TELEGRAMS FROM MADRID, DATED
FIRST AND SIXTH AUGUST.

2. NISSHO IWAI HONG KONG HAS NOT BEEN OF GREAT ASSISTANCE
IN FURTHER TRACING THE MOVEMENTS OF US\$1.2 MILLION. I
STILL CANNOT EXPLAIN WHY THESE FUNDS WERE TRANSFERRED TO
NEW YORK AND TO WHOM OR WHY, SIX DAYS LATER, THE IDENTICAL
AMOUNT WAS TRANSFERRED BACK TO HONG KONG. I WAS ABLE
TO ASCERTAIN, THOUGH, THAT THE FUNDS WERE NOT REPEAT NOT
TRANSFERRED TO MORGAN GUARANTY NEW YORK AS REPORTED IN
TELEGRAM OF SIXTH. ALSO ASCERTAINED THAT MONTE CEDRO
INTERNATIONAL IS A SUBSIDIARY OF NISSHO IWAI WHICH WAS
ORGANIZED FOR THE SOLE PURPOSE OF DEALING WITH TAIWAN
SINCE, FOR "POLITICAL" REASONS, NISSHO IWAI CANNOT DO
BUSINESS THERE. I SHALL ENDEAVOR TO APPLY PRESSURE ON
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NISSHO IWAI HONG KONG THROUGH THE MAIN OFFICE IN TOKYO

AND OBTAIN ADDITIONAL DETAILS ON THE TRANSFER OF FUNDS.

3. ACCORDING TO COPIES OF DOCUMENTS AND PAPERS WHICH I NOW HAVE IN MY POSSESSION, THE FOLLOWING APPEARS TO BE A CHRONOLOGICAL SERIES OF EVENTS CONCERNING THE TRANSFER OF THE SEVEN VESSELS:

A. AUGUST 3, 1973: INTEROCEAN GRAIN STORAGE GAVE POWER OF ATTORNEY TO DISPOSE OF THE SEVEN VESSELS TO J.H.C. MENG OF MENG'S IMPORT AND EXPORT, 41-15 51ST ST., WOODSIDE, QUEENS, NEW YORK.

B. AUGUST 20, 1973: SEVEN INVOICES INDICATING SALE OF VESSELS BY MENG TO CONTINENTAL INDUSTRIAL CO., LTD., HONG KONG.

C. AUGUST 25, 1973: MENG'S IMPORT AND EXPORT AUTHORIZED CONTINENTAL INDUSTRIAL CO. TO ACT IN SUBSTITUTION FOR MENG. THE PRINCIPAL OF CONTINENTAL IS ADAM (WEN WHO, ACCORDING TO ANOTHER DOCUMENT, HOLDS AN AMERICAN PASSPORT, B 1494569. FURTHER, ACCORDING TO A JULY, 1967 LETTER FROM MINISTRY OF HEALTH IN JAKARTA, WEN HAS AN OFFICE CALLED WORLD ACME CORP., 120 WALL ST., NEW YORK.

D. AUGUST 27-28, 1973: FIVE INVOICES INDICATING SALE OF FIVE VESSELS BY CONTINENTAL TO KIEN FOONG COMPANY, LTD., HONG KONG.

E. AUGUST 28, 1973: TWO INVOICES INDICATING SALE OF TWO VESSELS BY CONTINENTAL TO JUI MING TRADING, HONG KONG.

F. YOU SHOULD REFER TO MY LETTER MA/TYO 171, DATED 29TH MAY, 1974 AND YOU WILL NOTE THAT THE DOCUMENTS I REVIEWED IN KAOHSIUNG INDICATED THAT KIEN FOONG AND JUI MING THEN SOLD THE VESSELS TO VARIOUS FIRMS IN KAOHSIUNG ALTHOUGH MOST OF THOSE CONTRACTS LISTED CONCERNING KIEN FOONG ARE DATED IN JUNE, 1973, PRECEDING THE DATES OF SALE BETWEEN CONTINENTAL AND KIEN FOONG AND JUI MING.

4. IT SHOULD BE NOTED THAT SHIAO RUI PAN, DIRECTOR OF KIEN FOONG, IS ALSO CONNECTED WITH GREAT CHINA STEEL AND NAN FENG STEEL.

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5. ADAM WEN (CONTINENTAL INDUSTRIAL), WHO IS PRESENTLY IN SINGAPORE WAS SCHEDULED TO RETURN HONG KONG ON 9TH, 10TH OR 11TH SEPTEMBER, BUT HE HAS NOT APPEARED YET. I HAVE ALSO DISCUSSED THE MATTER OF CONTINENTAL'S INVOLVEMENT WITH CONTINENTAL'S ATTORNEYS (A PROMINENT HONG KONG FIRM CALLED DEACONS). UNFORTUNATELY, THEY WILL NOT RELEASE THEIR FILE TO ME WITHOUT AUTHORIZATION FROM WEN, THEIR CLIENT. S. R. PAN (KIEN FOONG), WHO

IS PRESENTLY IN SAN FRANCISCO IS ALSO SCHEDULED TO RETURN HONG KONG AND/OR TAIPEI SOON, BUT HE HAS NOT APPEARED EITHER. I HAVE BEEN UNABLE TO LOCATE JUI MING TRADING'S OFFICE. I HAVE BEEN AWAITING RETURN OF WEN AND/OR PAN FOR THREE DAYS SINCE, WHILE I HAVE IN POSSESSION MANY DOCUMENTS, PAPERS, DATES AND NUMBERS, ONLY THESE TWO INDIVIDUALS CAN EXPLAIN THEIR SIGNIFICANCE. HOWEVER, I CANNOT WAIT ANY LONGER AND AM DEPARTING FOR TAIPEI TONIGHT WHERE YOU CAN CONTACT ME THROUGH 16TH SEPTEMBER CARE AMEMBASSY.

6. A REPORT ON ABOVE TOGETHER WITH SUPPORTING DOCUMENTS WILL BE FORWARDED FROM TOKYO. MEANWHILE, PLEASE PASS THIS TELEGRAM TO ROBERTSON AND FLYNN IN NEW JERSEY SINCE THEY REQUESTED SAME. PERHAPS SOMEONE SHOULD CHECK OUT MENG IN QUEENS AND WORLD ACME IN NEW YORK.
CROSS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SHIPS, SALES, FUND ACCOUNTING
Control Number: n/a
Copy: SINGLE
Draft Date: 11 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974HONGK10101
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740254-0349
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740957/aaaabvrq.tel
Line Count: 132
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: housmasa
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUN 2005
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2002 by maustmc>; APPROVED <29 JAN 2003 by martinjw>; WITHDRAWN <13 Jun 2005 by BoyleJA, PRIVACY>; RELEASED <16 JUN 2005 by moorthsk>; APPROVED <16 JUN 2005 by jordanll>; APPROVED <16 JUN 2005 by housmasa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VESSEL SALES
TAGS: EWWT, TW, US, NISSHO IWA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005